



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-4, District of Columbia Income Tax Withholding

Date: March 16, 2005

To: Holders of TAXES (District of Columbia only)  
Personnel User Groups  
T&A Contact Points in the District of Columbia

Beginning with wages paid for Pay Period 6, the National Finance Center (NFC) will make the following changes to the District of Columbia income tax withholdings:

- The Single or Married (Filing Jointly) or Head of Household and Married (Filing Separately) tables will change.
- The nontaxable flexible spending accounts (health care and dependent care) deductions statement will be added to step 2 on the District of Columbia tax formula.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov).

MARK J. HAZUDA, Director  
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# District of Columbia Income Tax Information

**State Abbreviation:** DC  
**State Tax Withholding State Code:** 11  
**Acceptable Exemption Form:** D-4  
**Basis For Withholding:** State Exemptions  
**Acceptable Exemption Data:** S, M, H, N/Number of Exemptions  
**TSP Deferred:** Yes  
**Special Coding:** Determine the Total Number Of Allowances field as follows:  
     **First Position** - S = Single; M = Married, Filing Jointly; N = Married, Filing Separately; H = Head of Household  
     **Second and Third Positions** - Enter the total number of allowances claimed. If less than 10, precede with a zero.  
**Additional Information:** None

## Withholding Formula ►(Effective Pay Period 6, 2005)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) ►(includes flexible spending account - health care and dependent care deductions)◄ from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the dependent allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

Dependent Allowance = \$1,370 x Number of Dependents

6. Apply the taxable income computed in step 5 to the following table to determine the District of Columbia tax withholding.

**Tax Withholding Table**  
**Single or Married (Filing Jointly)**  
 or  
**Head of Household**

If the Amount of Taxable Income Is:		The Amount of District of Columbia Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 2,000	\$ 0	plus 0.0%	\$ 0
2,000	10,000	0	plus 5.0%	2,000
10,000	30,000	400	plus 7.5%	10,000
30,000	and over	►1,900	plus 9.0%	30,000◄

**Married  
(Filing Separately)**

If the Amount of Taxable Income Is:		The Amount of District of Columbia Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ 1,000	\$ 0	plus	0.0%	\$ 0
1,000	10,000	0	plus	5.0%	1,000
10,000	30,000	450	plus	7.5%	10,000
30,000	and over	▶1,950	plus	9.0%	30,000◀

7. Divide the annual District of Columbia tax withholding by 26 and round to the nearest dollar to obtain the biweekly District of Columbia tax withholding.